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# Green Markets

## FERTILIZER MARKET INTELLIGENCE WEEKLY

Prices • Politics • Economics • Transportation

### Vicksburg Chemical idles production; parent seeks Chapter 11 bankruptcy protection

March 18, 20

VOLUME 26

Vicksburg Chemical Co. idled its production in the wake of a bankruptcy filing by its parent Cedar Chemical Corp. While the filing came Mar. 8, Vicksburg said production had been down a few days before as the result of mechanical problems. As of Mar. 14, the company was in a "warm standby" until a decision is made to resume production, according to a company official.

With the idling came the layoff of 65 employees, which represents 60 percent of the company's workforce. Vicksburg, which produces potassium nitrate products, has an annual capacity of approximately 200,000 st/y. Vicksburg also has the capacity to produce mono-ammonium phosphate; however, the product has not been produced in a few years.

In total, about 65 percent of Cedar Chemical's combined work force at its Arkansas and Mississippi plants are laid off, according to Yehuda Yoked, Cedar Chemical president and CEO. "The court has approved a cash-collateral budget and a creditors' committee has been established," he told *Green Markets*. "At this stage, no details as to the future are available."

Vicksburg says it will take care of customers with existing inventories. However, at least one customer last week told *Green Markets* they were told not to expect product promised for April.

While the company initially indicated that the plant's idling was temporary, some market sources were not so sure. Indeed, in its bankruptcy documents, Cedar

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## More NH3 planned for Trinidad

Another new anhydrous ammonia plant is getting closer to reality, with C.L. Financial signing a loan agreement last week to get the ball rolling. The company is already a partner in the Caribbean Nitrogen Co. and has its first ammonia plant slated for start up in July 2002. The new plant involves C.L. signing an agreement with KFW, the German banking group, for U.S. \$220 million.

C.L. said site preparation for the new 640,000 mt/y plant has already started at the Point Lisas Industrial Estate, with completion expected in two years.

The new plant, dubbed N2000 will have an approximate value of \$318 million. The rest of the funding is expected in equity from joint venture partners—C.L. affiliate CLICO Energy Co., EOG Resources Trinidad Ltd., Ferrostaal AG and KBR Development Corp. C.L. said last week that the production from the new plant has already secured sales from Helm AG of Germany.

The new plant will initially receive tax breaks from the government, but C.L. expects that the plant will still make a profit after these expire.

In the meantime, Duke Energy Merchants has been trying to shed its interest in Caribbean Nitrogen, having missed its own Feb. 28 deadline to sell its interests. Duke owns about a 15 percent interest in the company, along with marketing rights.

Industry sources last week reported that Duke is gearing up to market the ammonia, at least for an interim period; however, the company had not returned phone calls at presstime.

10 DeBruc  
at Cres

10 Sulfur  
zoning

SPOT B  
st/F

Ammonia  
Urea (g)  
Urea (p)  
DAP  
TSP

\*All prices,

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# Market Watch

## AMMONIA

**U.S. Gulf:** Most Gulf players were conceding a downward trend in the NOLA barge market last week, even though an uptick in natural gas prices was giving some concerns. Generally, the market was put within the \$114-\$116/st FOB range, which sources said was based on the results of DuPont's recent electronic tender. Others noted that \$116/st FOB had been achieved earlier from another Gulf port.

Miss Chem's Ampro plant was down last week due to mechanical problems and was not expected back up until the middle of the week of Mar. 18. One of Koch's Sterlington plants was also reported to still be down for work.

**Tampa:** While the most recent business continues to be called \$107/mt DEL, there were reports last week that at least one buyer was still trying to wrap up a deal for late March product. Some suggested that this could come in at the \$105/mt DEL level.

Sellers argued for market stability, citing reduced capacity

to dealers FOB Courtright, Ontario. The cash ammonia market remained untested, however. With speculation corn acres will be up from last year in Canada, dealers they were expecting brisk spring demand for nitrogen. They were discussing that probability at the Canadian Institute's meeting in Calgary at mid-month. Another item at the event, however, was the continued drought in Canada and how that will affect plantings and fertilizer demand this spring.

**India:** Qafco sold 13,500 mt of ammonia to SPI and ZIL (5,000 mt), with arrival at Tuticorin Mar. 3 followed by Goa. Pricing for the product was placed at \$105/mt CFR.

**Australia:** Burrup Fertilisers Pty. Ltd. has obtained environmental permits for its 700,000 mt/y anhydrous ammonia plant to be built near Karratha in Western Australia (see [Archive](#)). Financing should be completed by the end of March, and construction is expected to begin in September. Construction of the plant will take two to three years. Oswal Group is a major backer of the project and is expected to take a large share of the product.

IRFA

...generally good for market stability, citing reduced capacity in the FSU, Algeria, Ampro, Sterlington and Venezuela. Sellers said reduced production elsewhere was putting more pressure on the Caribbean.

**Eastern Cornbelt:** Many dealers in the region continued to talk of good spring demand for nitrogen, particularly if revised USDA planting predictions of an additional two to three million acres of U.S. corn are realized. Parts of the region saw brisk ammonia movement last fall, as well. Ammonia remained \$175-\$190/st FOB regional terminals, with the upper end reflecting posted dealer levels and the lower numbers reported after discounts.

**Western Cornbelt:** Sources reported a little ammonia movement in southern Nebraska. Several snow storms since late February have left fields muddy in many parts of the state, however. One Nebraska dealer said he is bracing for a heavy nitrogen run this spring as several growers in his territory have indicated an increase in corn acreage compared to earlier estimates. Prepay ammonia tons were moving to the field on a spot basis in southeastern Iowa in mid-March, but new cash purchases were few.

Ammonia pricing to dealers was generally called \$185/st FOB terminals west of the Mississippi River, and \$190/st out of points east. The market after discounts was tagged \$175/st FOB on the low end, and Iowa sources confirmed spot sales at that level in mid-March.

**Northern Plains:** Many growers in the region were abandoning hopes for an early start to fieldwork this spring, due to wintry weather in Minnesota and continued drought in North Dakota. Conditions remained too cold for ammonia movement. Delivered ammonia from Dakota Gasification was unchanged at \$200/st in North Dakota. The dealer market FOB the Twin Cities was tagged a nominal \$190/st, with the low end after discounts at \$180-\$182/st FOB.

**Eastern Canada:** Ammonia remained at \$332-\$350/mt FOB in the region, with the upper end reflecting the posted level

...U.S. Gulf:

**U.S. Gulf:** Most players said there was no or little in the market from the previous \$98-\$100/st FOB for barges. Business was reported last week at both end range, although most were citing \$99/st FOB. While sellers were pushing hard for \$100-\$101/st FOB, so were claiming that if they were willing to pull the truck could still get product in the mid-\$90s/st FOB. In the meantime, prills are reported in tight supply.

Melamine Chemicals Inc. told *Green Markets* that now completely wound down its melamine product. Donaldsonville, La., plant, although it still has product storage to sell. Mississippi Chemical was the major of urea to Melamine, supplying up to 166,000 st of in fiscal year 2001 (GM Archives).

**Correction:** The granular urea barge price for the dated Mar. 11 should have read \$98-\$100 on both page and page four.

**Eastern Cornbelt:** Breezy conditions in the north were raising hopes that fields would be firm enough for wheat topdressing again in the near term, with more rowcrop acres to follow in April. One Ohio dealer's acreage in his territory is down only slightly from last. More showers were in the weekend forecast for central Indiana, but dealers there, too, said wheat topdressing plowdown movement could kick into gear soon if it stay relatively dry. Granular urea remained \$130-\$140 in the region, with the low end reported out of river and the upper numbers at inland locations.

**Western Cornbelt:** Southern Iowa dealers said wheat there is topdressed, but quite a bit of fertilizer on pasture ground remains to be done. Most of the activity in Missouri at mid-month was confined to the southwestern corner of the state, where dealers reported brisk movement of topdress fertilizers on wheat and pasture ground.

Granular urea continued to be quoted in a range of \$125-\$135/st FOB regional terminals. The dealer market at mid-month was pegged \$125/st FOB St. Louis, Mo., \$130/st FOB Dubuque, Iowa, and \$135/st FOB Sioux City, Iowa.

**Northern Plains:** Granular urea was tagged \$130-\$135/st FOB the Twin Cities. Delivered urea in North Dakota and northern Minnesota was \$135-\$140/st, with most business reported at the upper end of that range. Several sources

**Indonesia:** Local traders are holding to the idea exported urea should be sold at \$115-\$116/mt FOB. At these levels there are no takers, except for a few desperate looking for small quantities of bagged material in the market. A few private deals at \$108-\$110/mt FOB have been reported but even at this level, the price is too high for the average Vietnamese buyer. Indonesia's share of the Vietnamese market, once its main buyer, has dropped off the charts.

reported at the upper end of that range. Several sources said commercial barges have been released north out of St. Louis, prompting some to speculate that barges might be able to make their way to Minneapolis in the near term. Sources were unsure, though, if scheduled repairs at upriver locks were completed.

**Northeast:** Granular urea was \$130-\$134/st FOB Baltimore, with truck-delivery to points in Delaware pegged at roughly \$138-\$142/st. Rail-delivered urea in western New York was \$145/st. Rain finally came to some drought-stricken sections of the region in early March, but soil moisture levels in many areas remained very low.

**Eastern Canada:** Granular urea was \$240-\$260/mt FOB, with the upper end reflecting dealer postings and the low end of the range called the true dealer market in Ontario and Quebec. Mild temperatures allowed some fieldwork in sections of the region in mid-March, and Ontario dealers reported spotty wheat topdress activity on sandy soils.

**China:** Beijing has yet to release the import licenses. Area observers speculate the delay may be as much an effort to protect the domestic urea producers as a power play by Sinochem. A scenario laid out by some in the region has Sinochem working in an unspoken alliance with the producers to keep the import licenses delayed. For the producers, the benefit is a good sales season. For Sinochem, the idea is to dominate the import market.

One trader noted that Sinochem is trying to regain control of the fertilizer market. The company lost its monopoly almost 10 years ago when reforms were put in place that opened the buying process. Since that time, Sinochem has worked to show the central government and provincial distributors that it can negotiate better prices than its competitors. Sinochem knows it cannot have all the import licenses, say sources. By leveraging its extensive domestic networks and political connections, say China watchers, Sinochem is trying to make itself the dominant buyer.

Adding fuel to this theory are reports that the Chinese company signed deals for two panamax vessels from the Black Sea with Helm and Kim Export. The price paid for each cargo is said to have been \$106/mt CFR. This price is significantly lower than the nearly 400,000 mt that began arriving in the bonded warehouses three months ago. Some of that material is pegged at \$120/mt CFR.

The application season is under way in the country. Sources say that the only Chinese being hurt by the delay issuing the licenses are the farmers who do not have access to what could be cheaper urea. Conventional wisdom holds that April 15 is the cut off date for delivery to the ports of any urea for this season. After that time material has to go into storage for the much smaller fall season.

market, since its main buyer, has dropped out of the market. Following a series of export bans, Indonesian seller their buyers had moved to fulfill their needs first from Arab Gulf and now the Black Sea.

Sources point out that the state-owned plants have miserably in releasing tons for export. They note that producers appear to be rotating availability in what to some, to be an orchestrated action. Local traders been snapping up the material once the producers put on the market. They then try to move it to the international trading community. It is the local traders who are at \$115/mt FOB and up. While the producers will show sale—to the local trader—the urea is still sitting in the companies' warehouses. Sources in the area say the traders will have to begin offering a much lower price if they intend to move their product.

**Black Sea:** The price has floated around \$90/mt recent weeks. Sources in the area say they see little fuel to a dramatic price increase. One trader noted that material can be had below \$90/mt FOB but could not make a solid done deal. Reported sales of two March panamax cargoes to China, which were pegged at \$106/mt CFR, an estimated netback of \$88-\$90/mt FOB. At the same time, ConAgra reportedly settled a deal at \$87/mt FOB for

Producers are sold out for March, say sources. The combination of loadings for China and Vietnam, they ensured a good month for the sellers. With no material over of the month, sources say the producers would see the price move up but traders argue April will slide. Producers are hoping new business from Latin America will help prop up prices as it has done in the past. Sources note, however, that some South American buyers are not to accept the granular from the new Latin American instead of FSU prills.

**Middle East:** Sources say producers have seen a price on the wall. Offers last week were reportedly below \$90/mt FOB but no firm deals were done. One observer noted some traders might try to sell at \$98/mt FOB with the expectation that the actual purchase price will be significantly below that at loading time. The producers have exhibited extreme reluctance to accept any bids below \$100/mt FOB. The trend in the prices, however, showed that the upturn in the market was in the cards. March tons are still available since

## NITROGEN SOLUTIONS

**Eastern Cornbelt:** UAN was tagged \$3.20-\$3.40/unit at regional terminals, with the low end reported out of Ohio River terminals and the upper numbers quoted by Ohio River dealers out of inland points. The common dealer market in Wisconsin was pegged \$3.40/unit FOB terminals in March, with minimal new movement reported.

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# Green Markets Price Scan

Unless otherwise noted, all domestic U.S. prices are on a short ton, FOB basis. International prices are on a metric ton basis.

AMMONIA	3/18/02	Year ago		
U.S. Gulf (NOLA)	114-116	200	Southeast	2
Tampa (mt C&F)	107	205	Northeast	2
Other U.S. Gulf (mt C&F)	107-111	260-263	California	3
Mid Cornbelt	175-190	340-360	California DEL	3
Great Lakes	185-195	340-345	Pacific N.W.	4
Northern Plains	180-190	350-360	Pacific N.W. DEL	4
Southern Plains	155-170	320-340	W. Canada DEL (C\$/mt)	6
Southern Plains DEL	165-175	325-375		
South Central	160-175	325-350		
South Central DEL	N.A.	N.A.	AM. NITRATE	2
California DEL	205-225	310-335	Mid Cornbelt	
Pacific N.W. DEL	220-235	415-425	Southeast DEL	
W. Canada DEL (C\$/mt)	365-400	590-614	Southern Plains	
			Southern Plains DEL	
Caribbean	87	185	South Central DEL	
Western Europe (C&F)	110-120	N.A.	Northern Plains	
Black Sea	75-77	160-165	California DEL	
Middle East	100-102	170-175	Pacific N.W. DEL	
			W. Canada DEL (C\$/mt)	
UREA	3/18/02	Year ago		
U.S. Gulf prill (domestic)	96-98	180	AM. SULFATE	2
U.S. Gulf prill (import)	95-96	165-170	Mid Cornbelt	
U.S. Gulf gran	98-100	185-193	Great Lakes	
Mid Cornbelt (p-g)	125-135	220-230	Southern Plains	
Great Lakes	130-140	230-236	South Central	
Northern Plains	130-135	230-235	Southeast	
Northern Plains DEL	135-140	230-240	California	
Northeast	130-134	225-235	Pacific N.W. DEL	
Southern Plains	122-128	220-225		
South Central	117-125	195-220		
California DEL	170-180	245-260	DAP	2

Pacific N.W. DEL	155-175	270-300	Central Florida
W. Canada DEL (C\$/mt)	260-310	397-410	New Orleans (barge)
Caribbean (granular)	N.A.	N.A.	Mid Cornbelt
Black Sea	88-90	95-99	North Carolina
Middle East	98-100	105-108	Great Lakes
Indonesia (bulk)	108-110	110-115	Northern Plains
			South Central
			Southern Plains
<b>UAN</b>	<b>3/18/02</b>	<b>Year ago</b>	California DEL
Mid Cornbelt	3.15-3.40	5.60-6.10	Pacific N.W. DEL
Great Lakes	3.31-3.70	5.75-6.00	Eastern Canada (C\$/mt)
Northern Plains	3.45-3.60	5.85-6.10	
Southern Plains	2.75-3.10	5.40-5.75	U.S. Gulf (export)
South Central	2.81-3.10	5.25-5.50	North Africa

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<b>MAP</b>	<b>3/18/02</b>	<b>Year ago</b>	<b>STANDARD MURIATE</b>
Central Florida	145-146	158-161	Saskatchewan
New Orleans	154-155	161-164	
Western U.S. (DEL)	200-220	220-225	U.S. Gulf
			Vancouver
			Western Europe
<b>TSP</b>	<b>3/18/02</b>	<b>Year ago</b>	Eastern Europe
Central Florida	124-125	132-135	Jordan
New Orleans (domestic)	135-137	142-145	Israel
New Orleans (import)	N.A.	N.A.	
Western U.S.	N.A.	N.A.	
			<b>GRANULAR MURIATE</b>
U.S. Gulf	N.A.	N.A.	Saskatchewan
North Africa	120-125	130-135	Carlsbad
			Midwest
			Western U.S. (DEL)
<b>PHOS. ROCK</b>	<b>3/18/02</b>	<b>Year ago</b>	
Central Florida	23-25	23-25	U.S. Gulf
			Vancouver
North Africa	42-46	42-46	
Jordan (70-74 BPL)	43-51	43-51	
			<b>SOLUBLE MURIATE</b>
<b>PHOS. ACID</b>	<b>3/18/02</b>	<b>Year ago</b>	Saskatchewan
Central Florida	N.A.	N.A.	Western U.S.
New Orleans	N.A.	N.A.	
North Carolina	2.05	2.05	

NORTH CAROLINA	3.90	3.90	
Western U.S. (DEL)	4.00-4.35	4.45-4.65	<b>SULFUR</b>
U.S. Gulf	N.A.	N.A.	<b>DRY (mt)</b>
India (CNF 150 days' credit) 344-349		360	Middle East
			Vancouver (c)
<b>10-34-0</b>	<b>3/18/02</b>	<b>Year ago</b>	Vancouver (s)
Midwest	170-185	205-225	
Western U.S. (DEL)	205-215	210-218	<b>RECOVERED (lt)</b>
			Tampa (c) (1st Q)
<b>POTASH</b>	<b>3/18/02</b>	<b>Year ago</b>	Tampa (s)
			New Orleans (1st Q)
<b>COARSE MURIATE</b>			Houston (DEL) (1st Q)
Saskatchewan	87-88	85-92	West Coast refinery to prillers
Carlsbad	N.A.	N.A.	Alberta (mt)
Midwest	110-115	120-126	
Western U.S. (DEL)	125-140	165-175	<b>LIQUID (mt)</b>
Western Europe	105-107	105-107	Northwest Europe

PRICE QUOTES DO NOT REFLECT ACTUAL TRANSACTIONS, BUT REPRESENT CURRENT MARKET CONDITIONS AS PERCEIVED BY SELECTED BUYERS AND SELLERS.

PRICE NOTES: Prices are based on large transactions, involving truckloads or larger volumes. All prices are net of discounts for volume, cash, or prompt payment, if such are offered.  
 RANGES: Price spreads shown for a region usually reflect localized price differences within the region. FOB/C&F/DELIVERED: Prices listed on an FOB basis are at the producer's plant gate, terminal, or pipeline point. All prices are FOB unless otherwise noted. C&F prices include transportation to the destination port. Delivered (DEL) prices include transportation costs to the retail dealer's premises or the nearest accessible railhead. Prices followed by the designation (c) are CONTRACT prices; prices followed by the designation (s) are SPOT prices. The notation N.A. (not available) means that a current price is not obtainable. The notation (mt) denotes metric ton.

COMMODITY NOTES—NITROGEN SOLUTIONS: Domestic prices are quoted on the basis of nutrient units; to convert to a short ton basis, multiply the nutrient value of the solution (e.g., 32) by the price shown.  
 PHOSPHORIC ACID: Prices are quoted on the basis of a nutrient unit for one ton of material containing 54% (i.e., merchant grade) phosphoric pentoxide (P2O5).  
 To convert domestic prices to a short ton basis, or to convert international prices to a metric ton basis, multiply the price shown by 54. UREA: (p) indicates prilled product, (g) granular product. Prices not so marked represent both.  
 PHOSPHATE ROCK: Prices reflect long-term contracts for 68% bone phosphate of lime rock that is being mined in the area closest to the named price point.

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**Western Cornbelt:** UAN was \$3.15-\$3.35/unit FOB, with the low end FOB St. Louis and the upper numbers out of inland storage sites. The dealer market FOB Dubuque was \$3.25-\$3.30/unit, but minimal new business was reported.

**Northern Plains:** UAN was untested at \$3.45-\$3.60/unit FOB regional terminals.

**Northeast:** Dealers in Delaware were topdressing wheat with liquid nitrogen. Sources tagged the nitrogen solutions market \$3.50-\$3.55/unit FOB upstate New York terminals, with no new movement reported. The UAN-30 market FOB Baltimore was pegged \$87-\$89/st (\$2.90-\$2.97/unit), and Delaware sources reported spot sales at mid-month at the

**Western Cornbelt:** Phosphates and potash were down in east-central Nebraska. DAP was \$170-\$171 in the region, with the low end out of St. Louis and end of the range called the dealer price FOB Sioux. Several sources said \$175/st FOB was the common price in the region at mid-month.

MAP was \$6/st higher than DAP, and TSP was \$155-\$160/st FOB. The price of 10-34-0 was \$170-FOB, with the low numbers reported in Nebraska at upper end of the range in Iowa. Delivered 10-34-0 was \$185-\$195/st.

**Northern Plains:** DAP to dealers was tagged \$1

\$91/st (\$3.03/unit) level FOB inland. Posted dealer levels were reported in the \$3.10-\$3.13/unit range FOB Baltimore and Philadelphia.

**Eastern Canada:** UAN was quoted \$165-\$172/mt (\$5.89-\$6.14/unit) FOB in the region, with most dealer quotes in Ontario reported at the \$170/mt (\$6.07/unit) mark.

## AMMONIUM NITRATE

**Western Cornbelt:** Ammonium nitrate was unchanged at \$125-\$130/st FOB. Nitrate barges were quoted at the \$98-\$99/st level FOB the U.S. Gulf.

**Eastern Canada:** Ammonium nitrate was \$240-\$267/mt FOB in the region, with the low end called the dealer price FOB Courtright.

## AMMONIUM SULFATE

**Eastern Cornbelt:** Ammonium sulfate was \$125-\$132/st FOB, with the low end reported for steel mill grade sulfate on a spot basis.

**Western Cornbelt:** Granular ammonium sulfate was steady at \$129-\$132/st FOB and \$137-\$142/st DEL.

**Northern Plains:** Granular ammonium sulfate was \$130-\$132/st FOB, and \$137-\$139/st DEL in the Dakotas.

## PHOSPHATES

**Central Florida:** The market out of Central Florida remains strong, according to sources. The majority of business continues to be called around the \$140/st mark FOB.

**U.S. Gulf:** Sources report that the barge market has shown some price slippage as small amounts of tons sourced from the DAP export market in Tampa appears to have eased the availability and supply of DAP barges. One source noted that there were more barges available in the past week than there were in the last month. Market watchers claimed cross-Gulf product could be obtained at pricing around the \$148-\$149/st mark FOB NOLA. A small amount of Russian DAP will reportedly be available in the domestic market the second week in April.

**Eastern Cornbelt:** DAP was pegged \$170-\$178/st FOB, with the upper end of the range out of inland warehouses and the common dealer market out of river points quoted at \$170-\$175/st FOB. MAP was \$6/st higher than DAP, and TSP was a nominal \$155-\$160/st FOB with no movement reported. 10-34-0 remained \$180-\$185/st FOB in the region. One Indiana dealer said growers in his market area have a lot of plowdown work to do yet because the mild winter temperatures failed to freeze fields in many areas.

the Twin Cities and \$178/st FOB Sioux City. MAP higher than DAP, and TSP was a nominal \$155-\$160/st FOB in the region. The price of 10-34-0 was \$180-\$185/st FOB in the region.

**Northeast:** One Pennsylvania dealer said fields still need quite a bit of phosphate and potash, but many growers have delayed winter spreading activity because of dry field conditions. DAP was steady at \$173-\$178/st FOB in the region. Truck-delivered DAP to points in Delaware was pegged roughly \$180/st, while rail-delivered product from New York was quoted at \$181/st.

MAP was \$6/st higher than DAP, and TSP was a nominal \$158-\$163/st FOB in the region. The price of 10-34-0 was \$209/st FOB, with the upper end of the range reflected in recent postings FOB Cohocton, N.Y., and Waterloo, N.Y.

**U.S. Inventories:** For U.S. producers, the cumulative appearance of phosphate fertilizers increased five percent during the period July 2001-February 2002, as compared to the period July 2000-February 2001. Shipments of DAP, MAP, and phosphoric acid and concentrated superphosphate increased while shipments of superphosphoric acid fell in the comparison.

Phosphate production increased by three percent during the period. Production of phosphoric acid and DAP increased, while the production of concentrated superphosphate and superphosphoric acid decreased. Total phosphate inventories were 16 percent below year-earlier levels, as inventories of all phosphate products were down, except for concentrated superphosphate, which remained the same (see the table p. 8 for information on other commodities).

**Eastern Canada:** Several regional sources said moisture levels are down from normal, but soil levels are critically low and more rain is expected in the near future. In many parts of the region, fields were still too soft to support heavy machinery at mid-month, but several dealers said spring planting could easily be rolling by the end of the month. Phosphate prices were up slightly from last report. Ontario dealers were quoted at \$325-\$330/mt FOB, with MAP at roughly \$335-\$340/mt FOB in the region.

**U.S. Export:** Although tons are moving into Mexico from Central America, most of this business has been for export. With news of the cross-Gulf shipment of product to the domestic barge market, sources are saying that this indicates an indication that international demand and pricing for phosphate supplied from the Tampa export market is down slightly. Export is expected to remain off through April. Producers are not too comfortable because of contract commitments, but



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on export DAP market was generally thought to be slightly down and in the mid-\$150s/mt FOB Tampa.

**India:** MP State Co-op Marketing Federation Ltd. (MP Markfed) issued a tender for 150,000 mt of DAP; 50,000 mt of NPK; 150,000 mt SSP; and 2,000 mt of phosphate rock. The tender closes Mar. 26. Offers are to be made on an Indian Rupees basis, with delivery to various state warehouses.

## POTASH

**Eastern Cornbelt:** Potash pricing remained flat at \$112-\$120/st FOB in the region, with most spot quotes from dealers falling in the range of \$114-\$118/st FOB. Delivered granular potash in Ohio and northern Indiana was \$118-\$121/st.

**Western Cornbelt:** Granular potash was generally called \$112-\$118/st FOB, with the low end reported out of river terminals on a spot basis. Iowa sources tagged the common dealer market \$114-\$115/st FOB river locations at mid-month, but new sales were few. Posted pricing out of inland warehouses was as high as \$124/st FOB, but no new business was reported at that level.

**Northern Plains:** Sources in central and southern North Dakota said most of the snow has melted, and one dealer said potash and phosphate movement in the southwest-ern corner of the state should begin promptly after Easter. Much of the state remained very dry, however, and worries about continued drought and the effect of the farm bill on markets and loan rates were making farmers cautious about their spring fertilizer purchases.

Sources continued to quote potash pricing at \$85-\$90/st FOB Canadian mines, depending on grade, but new sales were few. IMC reportedly reposted red potash on Mar. 1 at \$93/st for standard, \$96/st for coarse and \$98/st for granular. Delivered potash in the region remained in a range of \$115-\$122/st.

**Northeast:** Dealers in Delaware were spreading dries on pea ground ahead of planters. Growers there were also spreading potash on corn ground that had received manure applications over the winter months. Potash pricing remained flat at \$119-\$122/st FOB the warehouse, and \$119-\$127/st rail-DEL in the region. Several dealer said they will need to buy replacement potash tons soon if weather conditions allow movement.

**Eastern Canada:** The potash market was tagged \$196-\$203/mt FOB warehouse locations in Ontario. The low end of the regional potash range was \$180/mt FOB New Brunswick mines.

**India:** MP State Co-op Marketing Federation Ltd. (MP Markfed) issued a tender for 20,000 mt of MOP. The tender

## MARKET NOTES

**Pakistan:** The Federal Bureau of Statistics reported the country imported 1.04 million mt of DAP and other fertilizers at a cost of \$151.5 million during the first eight months of the current financial year July 2001-February 2002, compared to 837,386 mt of fertilizers imported at a cost of \$148.9 million in the corresponding period last year, a 1.5 percent increase in imports. The country exported 20,000 mt of urea and earned \$3.26 million during the July 2001-February 2002 period, compared to exports of 69,160 mt of urea for \$8.03 million last year.

**U.S.:** The Fertilizer Institute published an addendum to its December 2001 import/export data. Earlier, TFI had reported potential problems with the nitrogen solutions imported from Saudi Arabia in April of 2001 and from Malaysia in April of 2001. USDOC later issued the following revised data for these shipments:

Month	Country	Material
<b>ORIGINAL DATA:</b>		
April 2001	Saudi Arabia	nitrogen sol.
April 2001	Malaysia	nitrogen sol.
Sept. 2001	Malaysia	nitrogen sol.
<b>REVISED DATA:</b>		
April 2001	Saudi Arabia	urea
April 2001	Malaysia	urea
Sept. 2001	Malaysia	urea

## Ruling favors IMC Phosphates' mining permit

A recent ruling by Florida Division of Administrative Hearings Judge Charles Stampelos strongly approved the issuance of a permit for IMC Phosphates to mine about 1,000 acres in Manatee County, and may have dealt a crippling blow to efforts to halt the southward migration of the Peace River in the state. Judge Stampelos issued a 117-page decision rejecting opposition arguments that mining the Man Jenkins tract in Manatee County near the headwaters of the Peace River would devastate a critical link in the west Florida ecosystem.

The opponents included Manasota-88, the Peace River Manasota Regional Water Supply Authority, the Environmental Confederation of Southwest Florida, and Lee and Sarasota counties.

The Peace River runs 106 miles from the center

closes Mar. 26. Offers are to be made on an Indian Rupees basis, with delivery to various state warehouses.

## SULFUR

**Tampa:** Second-quarter negotiations are ongoing, but market news was very subdued as many sulfur market players were reportedly attending The Sulphur Institute's biennial symposium in Amsterdam, The Netherlands, Mar. 10-12. Sources continue to expect second-quarter contract prices to be up. Spot sulfur in the Bone Valley continues to be in high demand.

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County, south through Hardee and Desoto counties, into Charlotte County, where it empties into Charlotte the second largest estuary in the state.

The Peace River also supplies drinking water to 100,000 people in Southwest Florida. Officials in the area were concerned mining in the watershed would have a negative impact on water quality, as well as water quantity.

IMC Phosphates' application for the permit was considered a bellwether case for the expansion of the industry from Central Florida into South Florida. In addition to the Jenkins tract, IMC Phosphates plans two new mines

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about 40,000 acres in the Southwest Florida area. Other phosphate companies planning projects include Farmland Hydro, which is seeking to mine about 20,000 acres there; and CF Industries Inc., which is seeking final approval for another 9,000-acre mining tract.

However, Judge Stampelos wrote, "The greater weight of the evidence introduced at the final hearing demonstrated that IMC's proposed reclamation activities will maintain or improve water quality and the function of the biological systems currently present at the site prior to mining, and, therefore, the proposed reclamation is sufficient mitigation for the temporary adverse impacts associated with proposed mining at the property."

Stampelos concluded, "Based upon the reasonable assurances proven by IMC, IMC has demonstrated that the proposed activities at the property will not be harmful to water resources, will not be inconsistent with the overall objectives of the Department, and will not be contrary to the public interest."

"We waited a long time for it [the ruling]," said IMC Phosphates spokeswoman Diana Youmans. "It was very encouraging that it was such a solid ruling in our favor."

The public DOAH hearing concluded in early August of last year and opponents apparently thought the long delay in issuing the decision was a positive sign for them. Although they were disheartened by the ruling, some indicated the battle might not yet be over, according to reports in local newspapers.

The decision by Stampelos was forwarded to the state Department of Environmental Protection (DEP), which will actually issue the permit. DEP had previously issued a Notice of Intent to Issue the permit, which resulted in the protests

faith efforts have been affirmed. At the same time, we constantly look at ways to do better in all areas. As pledged to the Chairman of the House Natural Resources and Environmental Protection Committee, Rep. Hanning, an internal review of the phosphate mining process is ongoing. With the guidance now provided by Judge Stampelos, the review can now be targeted and accelerated. In the future, we hope to have a process that will serve the public even better.

Opponents could file an appeal in state court if, as expected, DEP issues the permit, Youmans said.

## FSC's credit facility extended again; OSFI transaction progressing

McMoRan Exploration Co. (MMR) announced an extension of the bank credit facility on behalf of its Freeport-McMoRan Sulphur (FSC). Banks participating in the credit facility have agreed to extend the maturity of the facility through April 3, 2002. There is also a provision for a further extension through May 31, 2002, upon the completion of a sales agreement for its sulfur transportation and related assets. As previously announced, FSC is pursuing an agreement with Savage Industries Inc. (GM Archive and GM 2001) to form a joint venture pertaining to other FSC assets. Savage and FSC will each own a 50 percent interest in the jv. FSC would use the proceeds from the joint purchase of its assets to repay borrowings outstanding under its bank credit facility, which currently total \$58.5 million. Availability under the credit facility is \$58.5 million.

Contributed assets from FSC to the jv will include sulfur transportation, marketing and terminaling business.

being filed and the DOAH hearing.

DEP Secretary David Struhs said, "We have felt all along that our actions were fully consistent with state laws and Department rules. The public can feel comforted in the knowledge that a totally impartial arbiter has found that the will of their elected representatives is being carried out by the executive branch. The professionals at DEP have dedicated their careers to protecting the environment and their good

ing for the jv will be secured through the existing commercial contracts of FSC's transportation and business, and through new contracts to be complete sulfur producers. The jv is expected to distribute at million in cash to MMR when the transaction close:

FSC said it has completed long-term service agreements representing about 60 percent of the joint venture's targeted business activities. These contracts are exp

## FEBRUARY 2002 FERTILIZER STATISTICS

(U.S. totals in '000 st, Canada totals in '000 mt)

Commodity	Total Production	Production % Change		Total Inventories	Inventory % Change		Total Disappearance
	Feb 02	Jan 02	Feb 01	Feb 02	Jan 02	Feb 01	Feb 02
Ammonia	1,039	-11	15	1,640	7	-14	92
Ammonia (Canada)	336	-19	-9	410	8	39	30
Nitrogen Solutions	638	-14	-28	1,957	9	23	48
Urea	407	-10	17	590	1	-2	39
Urea (Canada)	277	-9	-12	588	34	185	12
Phosphate Rock	2,754	-15	-9	8,676	0	-20	2,753
Total Phos Acid (P2O5)	893	-4	13	216	-8	-24	91
DAP	917	-6	25	797	12	-7	83
MAP	362	3	-16	474	17	-25	29
Potash	134	8	5	263	-1	-2	13
Potash (Canada)	1,280	-10	9	2,973	17	11	85

Source: TFI's Fertilizer Record; Potash data supplied by PPI

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generate annual revenues of approximately \$27 million during the initial three years of the joint venture's operations, \$21 million of revenues for years four through seven and \$14 million in years eight through 10. FSC said progress has also occurred in recent discussions with several potential acquirers of its assets and in establishing attractive financing for the joint venture, including the recently approved industrial revenue bonds (GM Mar. 4, p. 11). The company is working with a group of commercial banks to provide credit support required for the issuance of the bonds, in addition to pursuing opportunities that would provide tax exempt financing for the joint venture.

In other news, MMR said it is proceeding with an agreement with Offshore Specialty Fabricators Inc. (OSFI) to convey all of FSC's rights, title and interest in its Main Pass 299 sulphur and oil leases and other consideration (GM Feb. 11, p. 8). OSFI has agreed to reclaim the Main Pass 299 facilities

## Management E

Swiss-based Keytrade AG announced the opening of its New York office. The address of the office is 55 Northern Boulevard, Suite 301, Great Neck, N.Y., 11040. The telephone number is (516) 504-7620 and the fax number is (516) 504-7624. Email can be sent to [kt-Newyork@keytrade.ch](mailto:kt-Newyork@keytrade.ch). Jim I. Keytrade, who joined Keytrade in January as a vice president in charge of fertilizer sales for Central and South America.

Peter Goemans has joined ICEC Canada Ltd. as a manager, supporting the North American sulfur trade.

and the inactive platform at the Caminada mine/ Grand Isle site. FSC said it has received lender consent for the transaction and approvals from its Caminada partner. The company said the transaction would satisfy all of the approximately \$45 million in reclamation requirements in the offshore Gulf of Mexico that FSC has to Minerals Management Services. OSFI has already started initial abandonment work at Caminada and expects to complete the work in the second quarter.

### Aquila subsidiaries merge; name changed to Aquila Merchant Services

Kansas City, Mo.-based Aquila Inc. said that two of its wholly owned subsidiaries—the Aquila Energy Marketing Corp. (AEM) and the Aquila Risk Management Corp. (ARM)—recently merged with the parent company. The parent company subsequently changed its name to Aquila Merchant Services Inc., to reflect its expanding global business, according to a company spokesman. The company went on to state that the mergers would have no effect on the credit ratings assigned to the new entity by Standard & Poor's and Moody's. Aquila Merchant Services has been rated BBB by S&P and Baa2 by Moody's.

In February, Aquila announced that would be entering the fertilizer business (GM Feb. 4, p. 9). Its entrance into the nitrogen market is considered a logical extension because of Aquila's ties to the energy and natural gas markets. Other future core businesses with fertilizer ties include sulfur and phosphates. As far as the sulfur market is concerned, Aquila plans to handle refined oil products and to participate in the market both as a sulfur buyer and seller. The company also hopes to manufacture DAP, and it is actively looking for opportunities for investments inside and outside of North America, the spokesman said.

Aquila is still reportedly a contender for Duke Energy's interest in the Caribbean Nitrogen Co. Ltd. (CNC) in Trinidad. Duke's tentative timeline to sell the assets by Feb. 28 passed, and the company did not give a new timeline (GM Mar. 11, p. 11). CNC is planning to have a new 1,850 mt/d ammonia plant up by this summer. Duke holds a 15 percent interest as well as offtake rights in the project.

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manager, supporting the North American sulfur team both domestic and international activities. Goemans 14 years of experience with Canadian Pacific Railways. Goemans can be contacted at 403-265-9622 or pgoemans@icecglobal.com.

## The Week in Fertilizer Stocks

### Potash/Phosphate Stocks

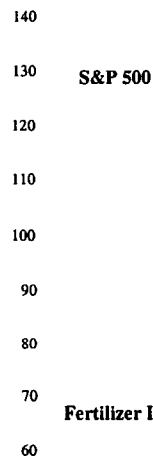
IMC Global	IGL
Phosphate Resource Partners	PLP
Potash Corp. of Saskatchewan	POT

### Nitrogen Stocks

Agrium	AGU
Mississippi Chemical	GRO
Terra Industries	TRA

### S&P 500

### Fertilizer Index



Dec-98 Mar-99 Jun-99 Sep-99 Dec-99 Mar-00

Source: David Driscoll, Salomon Smith Barney

to begin operations in mid-2001, but has been delayed a result of legal challenges. The zoning issue now a

## News Briefs

### DeBruce big buyer at Crestland bankruptcy auction

**Kansas City**—DeBruce Grain Inc. will pay \$4.5 million for ten fertilizer and grain operations owned by Crestland Cooperative, which filed for Chapter 11 bankruptcy in September 2001. DeBruce purchased the properties at a Feb. 26 liquidation auction held in Creston, Iowa, where Crestland is headquartered. A DeBruce source said the purchase, which is still pending bankruptcy court approval, includes Crestland's headquarters building in Creston, which is on a 45-acre site that also includes a 7.5 million-bushel grain storage facility and a feed mill. A description provided by auctioneers Del Peterson and Associates said the Creston location included a 4,500-ton bulk fertilizer facility, a 300,000-gallon bulk chemical plant and mixing system, a 30,000-gallon anhydrous ammonia storage tank, and a 120 by 48 foot steel warehouse used for chemical packaging. DeBruce also purchased Crestland facilities at Corning, Iowa, and Shenandoah, Iowa. Listed on the sale bill for the Corning location were a 105 by 60 foot dry fertilizer building, a 30,000-gallon ammonia storage tank, a 12,000-gallon ammonia tank, and a 45 by 35 foot chemical building with a diked storage area, liquid mixing capability, overhead load out and a 300,000-gallon liquid storage tank. The Shenandoah site reportedly included a grain elevator and feed mill, and a 120 by 60 foot enclosed chemical facility with a diked floor and a million-gallon double-walled liquid storage tank. DeBruce, which already owned grain facilities in Percival, Iowa, and grain and fertilizer facilities in Nebraska City, Neb., also purchased Crestland properties in various other southern Iowa locations. The company currently has grain and fertilizer operations in Texas, Kansas, Nebraska, Iowa, Missouri and Kentucky and warehouse space nationwide. DeBruce also has a grain merchandising office in Queretero, in central Mexico.

### Florida sulfur plant gets zoning recommendation

**Tampa, Fla.**—Efforts to construct a plant to convert dry sulfur to a liquid state south of Tampa, Fla., took another step forward last week, when the project received a recommendation of approval prior to a final vote on Mar. 26. Andrew Baker, a Hillsborough County zoning hearing master, issued the recommendation on Mar. 11. The next step in the approval process was expected to be the final leg of the long journey, when the Hillsborough County Board of County Commissioners was scheduled to vote on

a result of legal challenges. The zoning issue now is to be the last remaining hurdle as opponents recently dropped their requests for a hearing on an air permit (Mar. 11, p. 1).

### Fauji Fertilizer buys Pak Saudi

**Islamabad, Pakistan**—The privatization commission in Pakistan received the highest bid of Rs. 135.85 per (\$2.26/share) or about Rs. 7.33 billion (\$122.27 million) from the country's largest urea manufacturer—Fauji Fertilizer Co. Ltd.—for the purchase of 90 percent of Pak Fertilizer Ltd. (PSFL). Other offers came from Dawood Hercules Chemicals Ltd., which offered a bid of Rs. 70 (\$1.16/share) for a total offer of Rs. 3.78 billion (\$61.1 million). Engro Chemical Pakistan offered Rs. 3.60 billion (\$60.03 million) or Rs. 66.71 per share (\$1.11/share). The 90 percent of the shares of Pak Saudi have been earned by its workers. Government officials were optimistic about the process and suggested the bidding results were a positive indicator that the investment climate is improving. They also expected additional interest in other upcoming privatization transactions. Started in 1975 to reduce fertilizer imports and to promote the fertilizer industry in Pakistan, the project received major financing from the government of Saudi Arabia. Commercialization actually began in October 1980. Pak Saudi is a wholly owned subsidiary of National Fertilizer Corp. (NFC). At present, there are nine fertilizer plants in Pakistan. Five of these units are state-owned and are controlled by NFC. The remaining four units are controlled by the private sector. The state-owned units are Hazara Phosphate Fertilizer Ltd., Lyallpur Chemical & Fertilizer Ltd., Fertilizer Ltd., Pak Saudi Fertilizers Ltd. and Pak A Fertilizers Ltd. Private-sector plants include Engro Chemicals Pakistan, Dawood Hercules, Fauji Fertilizer Co. and Jordan Fertilizer Co. Total fertilizer production in the country is about 5.1 million mt/y, which includes 4.3 million mt/y of other nitrogenous fertilizers, and 671,000 mt/y of phosphate-based fertilizer. Of the total fertilizer production in the country, only 1.7 million mt (33.6 percent) is produced by the private sector, while the rest (3.36 million mt or 66.4 percent) is produced by the private sector.

### Agrico Canada and KARE Ag open outlet

**Mississauga, Ontario**—Agrico Canada of Mississauga, Ontario, and KARE Ag Services Ltd. of Fielding, Saskatchewan, have formed a joint venture crop supply outlet. The outlet will service farmers in the rural municipalities of Mayfield, Great Bend, Redberry, Douglas Creek and Glenside in Saskatchewan. The location

the zoning change. The Big Bend Transfer Station Co. (BBTC) project, a joint venture between Cargill Fertilizer, CF Industries and IMC Global, would be built at Apollo Beach south of Tampa. It would have an initial capacity of 1.5-million tons a year, and it will have a maximum capacity of 2-million t/y. The plant was originally expected

provide easy access for farmers and offer a convenient supply of fertilizers, crop protection products and crop application. Construction of the new facility will be under way by Mar. 25, with completion scheduled prior to spring planting. The jv expects to have dry fertilizers, anhydrous ammonia and herbicides available by mid-April. Ag

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said the jv with KARE Ag is one of three that it has formed in Saskatchewan. The other two are G-Mac's Ag-Team in Kindersley and Sharpe's Soil Services in Moosomin.

### Lesco reports record Q4 and fiscal 2001 sales

**Cleveland, Ohio**—In spite of what company president and CEO William Foley called a "difficult and challenging year," turf care products provider Lesco Inc. reported record sales of \$504.3 million for the year ended Dec. 31, 2001, a one percent increase from the \$499.6 million reported in 2000. Lesco's fourth-quarter sales totaled \$105.3 million, up two percent from the \$102.8 million recorded for the same period in 2000. Fourth-quarter net losses were reported at \$5.2 million (\$.61 per share), compared with \$5.6 million (\$.66 per share) in losses for fourth-quarter 2000. Lesco's net loss for the full year was \$2.9 million, or \$.34 per diluted share. Lesco noted that "the downturn in golf resort business and lawn care product sales that followed the Sept. 11 attack persisted into the fourth quarter," but reduced raw materials costs improved the company's gross profit percentage compared to last year's fourth quarter. "Our sales performance, while a record in the fourth quarter, still was affected by the difficult economic conditions that prevailed throughout 2001," Foley said. "Realizing that we are in an intensely competitive pricing environment, we continue to aggressively pursue every business opportunity in our market that will allow us to achieve sufficient returns." A significant increase of \$30.4 million in full-year operating cash flow allowed Lesco to reduce total debt by \$17.5 million, the company said. As a result, Lesco reported a decrease in interest expense during the fourth quarter due to lower average debt balances. The company said it will record an extraordinary charge of roughly \$2.9 million in the first quarter of 2002 related to the early termination of debt. Lesco COO Michael DiMino said the company anticipates

### EPA penalizes Simplot over leak notification

**Pocatello, Idaho**—The Environmental Protection Agency reports that the J.R. Simplot Co. has agreed to buy equipment for Bannock and Power counties, and to pay penalties related to a release of 80,000 pounds of sulfur dioxide from its phosphate fertilizer plant west of Pocatello. The incident occurred in March 2001 at a Simplot sulfur plant. EPA said the company violated the Emergency Planning and Community Right to Know Act (EPCRA) when it failed to immediately notify the local emergency planning committees of Power and Bannock counties and the State Emergency Response Commission of the release. The company notified SERC 12 hours after the release. EPA said it did not notify the counties until the next day, EPA said. EPA said case law gives companies 15 minutes to report the incident. EPA said the penalty was issued because the company did not notify the authorities, because of the release. As part of its settlement with EPA, Simplot will provide \$25,457 in hazardous materials response equipment to Power County Disaster Services. It also will spend no less than \$25,017 to provide Bannock County Emergency Operations Center with communications equipment and the Pocatello Fire Department hazardous materials response equipment. In addition, Simplot will pay a penalty of \$14,175.

### New Web site offers information on ag-lime

**Mars, Pa.**—Agricultural producers now have a Web site they can visit to gather information on limestone, thanks to Mars Mineral near Pittsburgh. The Web site, [www.pelletizedlimestone.com](http://www.pelletizedlimestone.com), was created by Mars. It includes technical papers, lab testing data, FAQs and information on how limestone is pelletized. "Limestone pelletization has distinct benefits...for ag product manufacturers, distributors and retailers," said Bob Hinkle of Mars Mineral. "Companies that deal in agricultural products can p

sales growth of four to five percent in 2002.

#### Biagro Western releases new fertilizer

**Visalia, Calif.**—Biagro Western Sales has released a new fertilizer called Nutri-Phite® Magnum. The fertilizer is a concentrated foliar nutrient that has been specially engineered for use on vegetable crops and permanent plantings. Called a "unique formulation" of phosphorous acid and organic acid, the fertilizer will provide more phosphite for targeted crops, with greater compatibility and stability than any other phosphite material, according to the company. Magnum was developed for use on a wide variety of vegetable crops, such as tomatoes, peppers, lettuce, spinach, broccoli, cauliflower, melons, cucumbers, beans, strawberries, potatoes, onions and peas. Permanent crops that can benefit Magnum use include almonds, walnuts and other nut crops, plums, nectarines, peaches, apples, pears and other pome fruits, kiwi, citrus, avocados, olives, grapes and all types of berries. The formulation grade for Magnum is 2-40-16. For more information, contact Biagro Western at (800) 868-6446 or visit [www.biagro.com](http://www.biagro.com).

or sell this superior product, while improving production and handling, and generating additional revenue

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#### *Vicksburg Chemical, from page 1*

Cedar Chemical suggests that it ultimately plans to shed its assets, saying all parties are best served by the continuation of its business operations as a debtor-in-possession under Chapter 11 until sale of its assets as a going concern and a confirmation of a Chapter 11 plan.

Cedar Chemical filed for Chapter 11 bankruptcy protection in New York. It listed total assets as of Dec. 31, 2001 of \$59.3 million and debts of \$110.8 million. Liabilities do not include contingent liabilities that the company may still face as a result of lawsuits over a 1995 nitrogen tetroxide release in Bogalusa, La. (GM Archives). In the filing, the company said the immediate cause of the bankruptcy was the inadequate liquidity to fund existing operations and to satisfy ongoing obligations. It said underlying financial difficulties arose out of the continuing decline in profitability in a competitive environment.

Cedar Chemical is owned by Nine West Corp., which is owned by private Trans-Resources Inc. of New York City. TRI, according to its last 10Q (Nov. 17, 2000), is a wholly owned subsidiary of TPR Investment Associates Inc.

In addition to its Vicksburg fertilizer operations, Cedar Chemical operates a crop protection plant at West Fertilizer Ark. As noted above, that plant also saw layoffs.

"While organic chemical group was a viable and profitable business, we could not earn enough to continue to offset the losses of other nonperforming parts of Cedar Chemical according to a letter to employees by Cedar Chemical President Stanley Bernard. "We had hoped and thought that the banks would have been receptive to carving out the chemical division and restructuring the loan agreement to reflect actual organic division debt."

"The action is especially disappointing to us in the organic pesticide business, as our efforts in building a profitable organic business outside of rice were starting to come into focus and even looked as if David [Cedar] was finally going to slay Goliath and a biased federal agency to gain a Metolol registration. We were able to do this in spite of our restraints."

"Only while trying to grow our business in these difficult times have we been able to gain a real insight into how multinationals have fared for competition and how ruthless they can be," added Bernard.

TRI's major assets include Cedar Chemical and Haifa Chemicals Ltd., also a potassium nitrate maker. More recent additions have included smaller fertilizer companies—Na-Churs/Alpine Solutions, Marion, Ohio; Plant Products Co. Ltd., Brampton, Ont.; and EMV Kft., of Hungary.

TRI estimated in its last 10K filing (March 30, 2000) that in 1999, 33 percent of its assets are in the United States and 67 percent in Israel. TRI had a 1999 loss of \$15.9 million on sales of \$497 million. Of those sales, specialty plant nutrients contributed \$319 million, industrial chemicals \$109 million and organic chemicals \$69 million.

J.P. Morgan Chase of New York is listed as the major secured creditor and is owed \$83.2 million. However, it was noted that this was covered by only \$59.3 million in collateral.

The major unsecured creditor was PPG Industries Inc. of Atlanta, Ga., at \$9.1 million. PPG was the only unsecured creditor to top the \$1 million mark. Creditors with fertilizer connections include El Dorado Chemical Co. of Oklahoma City, Okla., owed \$329,811; and Rhodia of Atlanta owed \$156,451.

any amount some of them can be, under some

Bernard said in the Mar. 10 letter that the company to have some guidance as to the future of the company week. "We hope in the cards there is some way we can things back together, resume operations and resume our goals."

Cedar Chemical identified the West Helena, Ark. as its primary asset, but also listed its long-standing environmental issues (per bankruptcy requirements), while also is in compliance with all OSHA and Process Safety Management practices. The Arkansas plant is on 50 with six separate processing units, waste water treatment laboratories, an administration building, a finished goods warehouse, maintenance shop, spare parts warehouse, various other buildings on the site.

The company has leased storage space at some in the U.S. and Canada, and one in Belgium.

TRI's last 10K said the company owns the Vick fertilizer plant, which is located on a 600-acre site.

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